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TO RUEHC/SECSTATE WASHDC IMMEDIATE 2238
INFO RUEHXX/ARAB ISRAELI COLLECTIVE PRIORITY
RHEHNSC/WHITE HOUSE NSC PRIORITY

C O N F I D E N T I A L JERUSALEM 002033

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NEA FOR FRONT OFFICE; NSC FOR ABRAMS/DORAN/LOGGERFO

E.O. 12958: DECL: 05/19/2016
TAGS: [KPAL](#) [KWBG](#) [MOPS](#) [PREL](#) [IS](#)
SUBJECT: GAZA STANDOFF CONTINUES; HAMAS FUNDS SEIZED AT
RAFAH

REF: JERUSALEM 02028

Classified By: Consul General Jake Walles, per reasons 1.4 (b) and (d).

11. (C) SUMMARY: A tense standoff between security forces under President Abbas' (Abu Mazen) control and Interior Ministry forces continued in several localities in Gaza on May 18 and 19. Four Palestinians were injured in clashes overnight on May 18 during a gun battle in Gaza City. Talks between senior HAMAS and Fatah officials have continued, with agreement on steps to reduce tensions. The Presidential Guard seized USD 639,000 on May 19 from a senior HAMAS official as he crossed the Rafah terminal into Gaza. Officials in Abu Mazen's office have referred the issue to the PA Attorney General. The funds were reportedly collected during HAMAS, meetings with Muslim Brotherhood leaders in Doha. END SUMMARY.

Standoff Continues After
Overnight Shooting

12. (C) Four Palestinians were injured overnight on May 18 during exchanges of fire between PA Civil Police and members the Interior Ministry Special Security Force, composed of militias loyal to HAMAS (reftel). The main clash took place in an area near the Civil Police headquarters in Gaza City's al-Jawazat neighborhood. According to Presidential Guard sources, a Special Security Force foot patrol approached a roadblock near the Civil Police headquarters. A yelling match ensued between the two sides. A gunfight lasting approximately one and half hours broke out after unidentified gunmen in a passing car opened fire on the Civil Police headquarters. Two Civil Policemen, two members of the Special Security Force and an al-Aqsa Martyrs Brigades gunman were injured in the fire-fight.

Egyptians Working To
Reduce Tensions

13. (C) Egyptian officials in Gaza hosted a second meeting the evening of May 18 between senior HAMAS and Fatah officials in an effort to contain violence. The two sides remained at an impasse regarding the Interior Ministry's refusal to withdraw the Special Security Force, but agreed to measures to reduce the likelihood of clashes: no forces will be allowed to wear masks, and militias (other than the militias employed by the Interior Ministry) will not be allowed to display weapons. The two sides also agreed to continue discussions.

HAMAS Funds Seized At
Rafah Border Crossing

14. (C) EU monitors and PA customs agents discovered USD 639,000 in a suitcase carried by HAMAS spokesman Sami Abu Zuhri at approximately 0800L on May 18 during a routine search at Rafah crossing. When Presidential Guard forces seized the funds citing Abu Zuhri's failure to declare the money or process it through proper channels, Abu Zuhri protested and insisted on remaining with the money at the terminal. Rumor quickly spread through Gaza that Abu Zuhri was under arrest and at least 24 HAMAS militants and a large number of security forces loyal to President Abbas converged on the terminal. After a brief standoff between the forces outside the terminal, Abu Zuhri agreed to depart the terminal without the money and contacted the President's Office to demand the release of the funds.

15. (C) Presidential Advisor Sahim Fateh (Abu Hisham) confirmed to POL FSN that he had spoken with Abu Zuhri regarding the seized funds. Abu Hisham was noncommittal as to whether the President's Office planned to release the money, saying only that he had referred the issue to the PA Attorney General and there were "legal aspects to be studied." PLO Chief Negotiator Sa'eb Erekat told Consul General that Abu Mazen had referred the case to the Attorney General, who will launch an investigation. The funds will be held under the Attorney General's authority while the investigation is underway. Separately, President's Office official Munir Salameh indicated that Abu Zuhri had collected the money during his recent visit to Doha where he met with Muslim Brotherhood leaders during a three day conference in support of the HAMAS-led PA. Salameh said HAMAS planned to use the money to support stipends for imprisoned HAMAS

members and charitable activities. Abu Zuhri emphasized this point in his statement to the al-Jazeera television network saying, "The funds that the Presidential Guard have seized were collected by HAMAS to support the Palestinian people."

WALLES